

Enterprise Budget: Costs and Returns per acre from growing Grass Hay, Rich County, 2006

Item	Quantity per acre	Unit	\$/Unit	Value/cost per acre	Your Farm
		Dollars
Receipts					
Grass hay	1.5	tons	\$70.00	\$105.00	_____
Residue	1.5	AUM	\$12.00	\$18.00	_____
Subtotal				\$123.00	_____
Operating costs					
Fertilization					
Nitrogen (34-0-0)	500	pounds	\$0.14	\$70.00	_____
Custom application	1	acre	\$7.82	\$7.82	_____
Irrigation (flood)	5	irrigations			
Labor	1.67	hours	\$10.00	\$16.67	_____
Water assessment	1	share	\$10.00	\$10.00	_____
Repairs/maintenance	1	acre	\$2.30	\$2.30	_____
Harvesting					
Swathing	1	acre	\$8.07	\$8.07	_____
Baling	1.5	\$ per ton	\$4.79	\$7.19	_____
Hauling/stacking	1.5	\$ per ton	\$3.63	\$5.45	_____
Interest on operating capital			7.61%	\$2.35	_____
Subtotal				\$129.83	_____
Ownership costs (excludes cost of land)					
Farm insurance	1	acre	\$2.00	\$2.00	_____
Machinery ownership costs	1	acre	\$100.07	\$100.07	_____
Subtotal				\$102.07	_____
Total costs				\$231.90	_____
Net returns to owner for unpaid labor, management, equity and risk					
Above operating costs				-\$6.83	_____
Above total listed costs				-\$108.90	_____

Assumptions:

1. Grass already established. Harvested in late summer and grazed in fall.
2. Interest computed on fertilization costs for 6 months and operating costs for 3 months.
3. Machinery operating costs include: fuel, oil, repairs and labor.
4. Machinery ownership costs include depreciation, interest, insurance, and housing.

Net returns above total costs for various prices and yields.

Price of hay	Production (tons) per acre				
	1.1	1.3	1.5	1.7	1.9
\$60	-\$144.53	-\$134.22	-\$123.90	-\$113.59	-\$103.27
\$65	-\$139.03	-\$127.72	-\$116.40	-\$105.09	-\$93.77
\$70	-\$133.53	-\$121.22	-\$108.90	-\$96.59	-\$84.27
\$75	-\$128.03	-\$114.72	-\$101.40	-\$88.09	-\$74.77
\$80	-\$122.53	-\$108.22	-\$93.90	-\$79.59	-\$65.27

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